

Hota Venkata Surya Sivarama Sastry

Vs

State of Andhra Pradesh

Civil Appeals Nos. 646 and 647 of 1960

(P. B. Gajendragadkar, A. K. Sarkar, K. C. Das Gupta, N. Rajgopala Ayyangar, J. R. Mudholkar JJ)

28.04.1961

JUDGMENT

AYYANGAR, J. -

These two appeals are by special leave of this Court and arise out of orders of the High Court of Andhra Pradesh dismissing two writ petitions filed before it by the respective appellants in the two appeals.

On January 14, 1953, the Government of Madras issued a notification reading, to quote only the material words, "in exercise of the powers conferred by s. 1(4) of the Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Madras Act XXVI of 1948), read with s. 2 of the Madras Scheduled Areas Estates (Abolition and Conversion into Ryotwari) Regulation, 1951 :

"The Governor of Madras hereby appoints the 4th of February 1953, as the date on which the provisions of the said Act..... shall come into force in the Estates in the Scheduled Areas of the West Godavari District which are specified in the schedule below :-"

and the schedule set out inter alia :

"1. Agency Area of Gangole 'A' Estate, consisting of.....

#2.##

3. Agency Area of Gangole 'C' Estate, consisting of....."

It is the legality of this notification that is impugned by the two appellants who are the proprietors respectively of Gangole 'A' and Gangole 'C' estates. The two writ petitions by the appellants which were numbered respectively 28 and 29 of 1953 were dismissed by the learned Single-Judge of the Andhra High Court and appeals under the Letters Patent filed against this common judgment were also dismissed by the learned Judges of that Court. An application for the grant of a certificate was also dismissed but this Court having granted special leave to the appellants, the matter is now before us.

The Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948, to which we shall refer as the Abolition Act, was a piece of legislation of the State enacted to effect reform in land tenures and landholding by the elimination of intermediaries. In line with similar legislation in the rest of the country, the interests of intermediaries - of three categories - the estates of Zamindars, of

undertenure-holders and of Inamdars were enabled to be vested in Government on the publication of a notification to that effect, compensation being provided for such taking over. The entire legal difficulties in the case of the Gangole 'A' and 'C' estates which were admittedly Zamindaris arise out of the fact that a small portion of each of them is situated in what is known as the Godavari Agency tract. This Agency area was originally included as part of the Scheduled District of the Madras Presidency under the Scheduled Districts Act XIV of 1874.

When the Godavari Agency was governed by the Scheduled Districts Act, 1874, the Madras Legislature enacted the Madras Estates Land Act (Act 1 of 1908), which was in force from July 1, 1908. This enactment regulated the rights of, inter alia, the proprietors of zamindari estates and the ryots and tenants who cultivated the lands included in the estates. Though, some argument was raised in the High Court, disputing the operation of the Estates Land Act to the Godavari Agency tracts, it has not been repeated before us. That Act on its terms applied to the entire Presidency of Madras and in view of a catena of decisions of the Madras High Court starting from the judgment of Muthuswami Iyer, J. in *Chakrapani v. Varahamma* [(1894) I.L.R. 18 Mad. 227], on the construction of s. 4 of the Scheduled Districts Act XIV of 1874, the contention was hardly tenable and was therefore properly abandoned. The position therefore was that the entirety of the lands and villages forming Gangole 'A' and 'C' were governed by the Madras Estates Land Act, 1908, and were "estates" within the meaning of that enactment. In this situation the Government of India Act, 1935, came into force on April 1, 1937. Under its provisions the Godavari Agency was included in the territory classified as "partially excluded areas" under s. 91 of the Act. The laws applicable to the "partially excluded areas" and their administration was governed by s. 92 which enacted :

"92(1) The executive authority of a Province extends to excluded and partially excluded areas therein, but, notwithstanding anything in this Act, no Act of the Federal Legislature or of the Provincial Legislature, shall apply to an excluded area or a partially excluded area, unless the Governor by public notification so directs; and the Governor in giving such direction with respect to any Act may direct that the Act shall in its application to the area, or to any specified part thereof, have effect subject to such exceptions or modifications as he thinks fit.

(2) The Governor may make regulations for the peace and good government of any area in a Province which is for the time being an excluded area, or a partially excluded area, and any regulations so made may repeal or amend any Act of the Federal Legislature or of the Provincial Legislature, or any existing Indian law, which is for the time being applicable to the area in question.

Regulations made under this sub-section shall be submitted forthwith to the Governor-General and until assented to by him in his discretion shall have no effect, and the provisions of this Part of this Act with respect to the power of His Majesty to disallow Acts shall apply in relation to any such regulations assented to by the Governor-General as they apply in relation to Acts of a Provincial Legislature assented to by him.

(3) The Governor shall, as respects any area in a Province which is for the time being an excluded area, exercise his functions in his discretion."

We shall be pointing out a little later, the interconnection between the Estates Land Act, 1908 and the Abolition Act, but for the present narrative it is sufficient to state that when the Abolition Act

was enacted in 1948, it could not of its own force, apply to the 'partially excluded areas' and no action as contemplated by s. 92 of the Government of India Act, 1935, was taken to render that Act applicable to that area. The result was that only a part of Gangole 'A' and 'C' were within the operation of the Abolition Act, while there were portions of each of the estates which were outside its purview and operation.

This legal situation was however not noticed and under the wrong impression that the Abolition Act was in operation in the Godavari Agency also, the Government of Madras issued on August 15, 1950, a notification under s. 1(4) of the Abolition Act by which, among other estates, the entirety of Gangole estate 'A' and Gangole estate 'C' were purported to be taken over, and specifying September 7, 1950, as the date on which the vesting was to take place. Before the latter date, however, the error was noticed and in consequence another notification was issued on the 5th of September by which the villages and hamlets lying in the "partially excluded areas" of Gangole estate 'A' and Gangole estate 'C' were excluded from the scope of the notification dated August 15, 1950. Thereafter the question of the extension of the Abolition Act to the "partially excluded areas" was taken on hand. By that date, it would be seen, the Constitution had come into force and the law applicable to areas like the Godavari Agency was provided for by Art. 244 read with the Sch. V to the Constitution. Art. 244(1) enacted :

"The provisions of the Fifth Schedule shall apply to the administration and control of the Scheduled Areas and Scheduled Tribes in any State other than the State of Assam."

As regards the law applicable to the Scheduled Areas, the relevant provision is that contained in paragraph 5 of that Schedule of which the material portions are :

"5. Law applicable to Scheduled Areas. -

(1) Notwithstanding anything in this Constitution, the Governor may by public notification direct that any particular Act of Parliament or of the Legislature of the State shall not apply to a Scheduled Area or any part thereof in the State or shall apply to a Scheduled Area or any part thereof in the State subject to such exceptions and modifications as he may specify in the notification and any direction given under this sub-paragraph may be given so as to have retrospective effect.

(2) The Governor may make regulations for the peace and good government of any area in a State which is for the time being a Scheduled Area.

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(3) In making any such regulation as is referred to in sub-paragraph (2) of this paragraph, the Governor may repeal or amend any Act of Parliament or of the Legislature of the State or any existing law which is for the time being applicable to the area in question."

In exercise of the power under paragraph 5(2) of the Fifth Schedule, Madras Regulation IV of 1951 was passed on September 8, 1951. The territorial extent of its operation extended to certain areas specified in the Schedule, which included the areas in the Godavari district in which the two Gangole estates were situate and by its operative provisions the Abolition Act together with the

amendments effected to it, were made applicable to these areas with retrospective effect from April 19, 1949. The Abolition Act having thus been extended to that part of the Gangole 'A' and Gangole 'C' estates which lay within "the Scheduled area" the Government of Madras issued the impugned notification vesting those portions of the estate to which the Act was extended by Regulation IV of 1951. As stated earlier, it is the validity of this last notification and the vesting effected thereunder of those portions of Gangole 'A' and Gangole 'C' which lay within the Scheduled area that is alone challenged in the appeals before us.

The notification was impugned on several grounds, all of which were rejected by the High Court. Several of them have been put forward before us, though not all of them with equal emphasis. Before however advertng to them it might be convenient to set out the relevant statutory provisions which bear upon the points urged. The long title of the Abolition Act states :

"Whereas it is expedient to provide for the repeal of the Permanent Settlement, the acquisition of the rights of landholders not permanently settled and certain other estates in the Province of Madras..... It is hereby enacted as follows :"

Section 1(3) defining the extent of its application runs :

"It applies to all estates as defined in section 3, clause (2), of the Madras Estates Land Act, 1908, except inam villages which became estates by virtue of the Madras Estates Land (Third Amendment) Act, 1936."

Section 2 which is the definition section provides by sub-s. (1) :

"(1) All expressions defined in the Estates Land Act shall have the same respective meanings as in that Act with the modifications, if any, made by this Act."

and sub-s. (3) provides :

"(3) 'estate' means a zamindari or an undertenure or an inam estate."

and sub-s. (4) of this section defines 'Estates Land Act' to mean "the Madras Estates Land Act, 1908."

Having regard to these provisions it is necessary to refer to the terms of the Estates Land Act to which one is directed by s. 1(2) of the Abolition Act. Section 3(2) of the Estates Land Act defines "an estate" as meaning :

"3 (2)(a) any permanently-settled estate or temporarily-settled zamindari,

(b) any portion of such permanently-settled estate or temporarily-settled zamindari which is separately registered in the office of the Collector;

##(c).....(d).....(e)....."##

We shall now proceed to deal with the several points raised, though except one all the others do not merit any serious consideration and have been properly rejected by the High Court. The first point urged was that the Polavaram zamindari - the parent estate from which the Gangole estate was, by successive sub-divisions, separated - was not "a permanently-settled estate" because the Madras

Permanent-Settlement Regulation XXV of 1802 was excluded from its application to Scheduled districts by the Laws Local Extent Act, 1874. In our opinion, the High Court has rightly rejected this contention, because even if the Madras Permanent-Settlement Regulation did not apply, there could be no dispute that the Polavaram zamindari was "a permanently-settled estate", because its peishcush was fixed and from the kabuliyat which was executed by the proprietor it is clear that it conforms to the pattern of the sanads and kabuliyats issued under the Madras Permanent-Settlement Regulation.

Though before the High Court it was urged that on the issue of the notification on August 15, 1950, under s. 1(4) of the Abolition Act the power of the State Government was exhausted and that they were thereafter incompetent to issue any further notification under the same Act, this contention which entirely lacks substance was not seriously urged.

It was next contended that Regulation IV of 1951 was invalid as having outstepped the limits of the legislation permitted by paragraphs 5(1) and (2) of the Fifth Schedule to the Constitution. It was said that if the Governor desired to enact a law with retrospective effect it must be a law fashioned by himself, but that if he applied to the Scheduled areas a law already in force in the State, he could not do so with retrospective effect. Reduced to simple terms, the contention merely amounts to this that the Governor should have repeated in this Regulation the terms of the Abolition Act but that if he referred merely to the title of the Act he could not give retrospective effect to its provisions over the area to which it was being applied. It is obvious that this contention was correctly negated by the High Court.

We shall now proceed to deal with the only point put forward by Mr. Viswanatha Sastri which, we have said, merits serious consideration, though it must be said that it was not presented in the same form before the learned Judges of the High Court of Andhra Pradesh. The argument was as follows : The Madras Estates Land Act of 1908, admittedly applied to the entire estate of Gangole - including that portion of the estate which was in the Scheduled area which, in the phraseology employed by the Government of India Act, was "a partially excluded area." Gangole 'A', Gangole 'B' and Gangole 'C' had been sub-divided and had been separately registered. Each one of them was therefore a unit - each one was itself "an estate" within s. 3(2)(b) of the Estates Land Act, 1908, being "a portion of a permanently-settled estate.....which is separately registered in the office of the Collector." The Abolition Act contemplates the taking over of "estates" as a unit and not in parts. The entire scheme of the Abolition Act is based upon this principle which would be upset if it were held that the Government in issuing notifications under s. 1(4) of the Abolition Act could take over portions merely of such units. When a notification is issued under s. 1(4) its legal consequences are set out in s. 3 which reads :

"With effect on and from the notified date and save as otherwise expressly provided in this Act (the saving does not cover anything material for the present purpose) -

#(a).....##

(b) the entire estate (including all communal lands; porambokes; other non-ryoti lands;.....) shall stand transferred to the Government and vest in them, free of all encumbrances....."

The provisions of the Act determining the amount of compensation are related to the sum payable in respect of the entirety of the estate, for ss. 24 and 25 enact :

"24. The compensation payable in respect of an estate shall be determined in accordance with the following provisions."

"25. The compensation shall be determined for the estate as a whole, and not separately for each of the interests therein."

The mode of computation of the compensation amount for which provision is made in ss. 27 to 30 all proceed on the basis that it is the entire estate that is taken over and not a portion merely of the estate. All these, taken together, would point to the scheme of the Act contemplating the entire estate being taken over. On that scheme he urged that it would not be possible to work out the compensation payable for separate portions of an estate, for instance for one village out of the several which might be comprised in an estate. The claims by the proprietor against the Government for compensation, as well as the determination of disputes inter se between claimants to the compensation amount, he pointed out, all proceed on the basis that the entire estate as a unit was taken over by notification under s. 1(4).

On these premises Mr. Viswanatha Sastri submitted that what the Government had done in the present case was to deal with the two estates of Gangole 'A' and Gangole 'C' each of which was a unit, as if each one of them were really two estates - one that which lay in the Agency tract, and the other outside that area - and had issued notifications in respect of these units piece-meal which was not contemplated and therefore not permitted under the Abolition Act. He further pointed out that if the original notification dated August 15, 1950, stood without the "denotification" effected by the notification dated September 5, 1950, there might be a valid vesting by reason of the retrospective operation of Regulation IV of 1951. Similarly if the impugned notification of 1953, had included not merely that portion of the estate of Gangole 'A' and Gangole 'C' which were within the Scheduled areas but the entirety of the two estates, that notification would not have been open to challenge. But the point urged was that it was only by the combined operation of (1) the notification dated August 15, 1950, as modified by that dated September 5, 1950, and (2) the notification dated January 14, 1953, that the entirety of the two "estates" was taken over and that this rendered the second notification invalid because it had taken over only a portion of the estate. Learned Counsel, no doubt, conceded that the taking over of those portions of Gangole 'A' and Gangole 'C' which were within the operation of the Abolition Act before its extension to the Scheduled areas not having been challenged, he would not be entitled to any relief in respect of the portion of the estate covered by the first notification, but his argument was that that would not preclude him from disputing the validity of the last notification vesting those portions of the two estates which were within the Scheduled areas in the State.

We shall now proceed to consider the tenability of these submissions. We might premise the discussion by observing that learned Counsel is right in his submission that the Abolition Act does not contemplate or make provision for the taking over of particular portions only of estates and that if the State Government having power to take over the entirety of an estate chose, however, to exclude certain portions of it from the operation of a vesting notification and took over only defined portions of an estate, this could be open to serious challenge on the ground that it was not contemplated by the scheme of the enactment. But the acceptance of this principle does not, in our opinion, compel us to answer the question propounded by the learned Counsel for the appellants in his favour.

To start with, it might be pointed out that it looks somewhat anomalous that learned Counsel who strongly urges that the scheme of the Act contemplates the taking over only of the entirety of an

estate and not of a portion thereof, should resist a taking over which, if effective, would result in the entire estate vesting in the Government and the compensation being determined according to the rules laid down by the Act, whereas it is the invalidation of the impugned notification that would result in a partial or piece-meal taking over, to the disadvantage of the proprietors to which learned Counsel very properly drew our attention.

As already pointed out learned Counsel's submission was that not merely the notification dated January 14, 1953, but also the earlier one dated August 15, 1950 (as modified by the one dated September 5, 1950) was invalid as providing for vesting of parts only of an "estate" and not of it as a unit. It would also follow that if the first notification dated August 15, 1950, was valid, the impugned notification which by its operation effected the vesting of the entirety of the estate in the State could not be open to challenge as violating the principle invoked by learned Counsel.

We are necessarily therefore driven to consider the validity of the first notification dated August 15, 1950, in dealing with the validity of the impugned notification of January 14, 1953. In considering this matter it is necessary to recall some of the provisions of the Abolition Act. Section 2(3) defines "an estate" as meaning, inter alia, a "zamindari estate". No doubt, as stated already, where the Abolition Act operates over the whole of "a zamindari estate", it does not contemplate the Government taking over a portion only of such "estate". But in saying this it should not be assumed that if in respect of a single estate two notifications were issued, say on the same date which together vested the entirety of the "estate" in the State under s. 3, either notification or both together would be invalid or ineffective. The reason for this must obviously be that the intention of the Government was to take over the entire estate - though it was being given effect to by the issue of two notifications. That would not obviously be the same thing as the Government having the liberty to pick and choose certain of the villages or certain portions of an estate leaving out others. If the Abolition Act as enacted does not extend to the entirety of an "estate" as defined in the Estates Land Act but only to a portion thereof, the question would be whether that portion of "the estate" which is within the operation of the Act is "an estate" within the meaning of the Act or not. On this matter there are two views possible : (1) that having regard to the Abolition Act referring to and as it were incorporating the provisions of the Madras Estates Land Act, the "estates" to which the Abolition Act could apply are only those which being "Estates" within the Estates Land Act, are also wholly within the operation of the Abolition Act. In other words, even if a few acres of an "estate" as defined in the Estates Land Act were outside the operation of the Abolition Act, it would not be an "estate" which could be taken over. (2) The other view attributing a crucial value to the policy and purpose underlying the legislation, viz., a reform of land tenures and landholding by the elimination of intermediaries to treat any land held on the tenures specified and within the territorial operation of the Act as falling within the category of "estates" liable to be taken over and vested in Government. We consider that the latter view is to be preferred as being in accord with the intention of the law and as subserving its purposes. In this connection it cannot be overlooked that the entire argument of learned Counsel is built up on the definitions of an "estate" in s. 2 of the Abolition Act (read with s. 1(3) of that Act), and that the definitions contained there could be applied on the terms of the opening words of that section only "unless there is anything repugnant in the subject or context." The position could possibly be better explained in these terms : Assume that Regulation IV of 1951 was not enacted. Could the State Government take over that portion of the "estate" which was within the operation of the Abolition Act or does the definition of "an estate" and the reference s. 1(3) to s. 3(2) of the Madras Estates Land Act of 1908 preclude the State from taking over that portion because the Act does not extend to the entirety of the "estate" ? It appears to us that this question is capable of being answered only in one way, viz., that the definition of "an estate" in the Abolition Act must be limited to that portion of an "estate" which is within the operation of the Act.

Any other construction would mean that if that Act did not apply to a few square yards in an estate, it ceases to be an "estate" governed by the Act, which, in our opinion, would be plainly contrary to the intention of the enactment as gathered from its preamble and operative provisions. Let us suppose that instead of the problem created by a portion of the estate being in a Scheduled area and therefore though within the State outside the normal legislative power of the State Legislature, a permanently settled estate had by reason of say the State's Reorganisation, fell both within the territory of the Madras and the Andhra States, with the result that the taking over under the Abolition Act could be operative only in regard to that portion within the State of Madras. Could it then be contended that the portion of the estate within the State of Madras did not fall within the definition of an estate and so could not be taken over by notification under s. 1(4) of the Act. Indeed, the answer of the learned Counsel for the appellants to such a question was that it could be taken over but for the reason that in such a case the portions outside the State territory could not be an "estate" within the Madras Estates Land Act at all and that in consequence the inter-relation between the unit constituting the estate under the Estates Land Act and the concept of an "estate" under the Abolition Act was not disrupted. But this, however, hardly suffices as a complete answer, for even after a portion of the "estate" becoming situated in a State other than Madras the State might still be governed by the "Madras Estates Land Act", though applied as the law of the new State. What is relevant in the illustration is that along with the concept of the unit constituting the "estate" being taken over, there is also underlying it, another principle, viz., that it is sufficient if the entirety of the estate over which the State Legislature has competence is taken over. In such a taking over the difficulty suggested by learned Counsel in working out the scheme of the Act, would not arise because the portion taken over will constitute the estate and the compensation for that unit will be worked out on the basis laid down in s. 24 and those following. The other portions of the estate which are beyond the territorial operation of the enactment would continue to remain unaffected, so that the State Government could not be in a position to take them over.

We accordingly consider that the first notification dated August 15, 1950, apart from its being binding and not open to challenge in these proceedings by the appellants, is valid and effective in law to vest the portion to which it related in the State Government. We then have Regulation IV of 1951 which brought the other portion of the estate to which the Abolition Act did not originally extend within the operation of that enactment. If, after this change in the law, the Government did not take over the rest of the estate, it would be open to the objection that the State Government had artificially split up the estate into two parts and had taken over or rather retained in its possession one part, and that notwithstanding that the Act posited the unit constituting an estate being taken over, had departed from that principle. The impugned notification therefore far from being invalid, was necessary to be issued in order to satisfy the very principle which learned Counsel for the appellants submits - as the one underlying the scheme of the Abolition Act.

We therefore hold that the challenge to the validity of the impugned notification dated January 14, 1953, should be repelled. We have thus reached the same conclusion as the learned Judges of the High Court, though by a different line of reasoning.

The appeals fail and are dismissed with costs - one set.

Appeals dismissed.

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